

## **Financial Management Checklist for Conservation District Supervisors**

The State Conservation Commission (SCC) has developed the following checklist to assist supervisors in complying with state statutes and recommended accounting procedures. Kansas statutes define conservation districts as “governmental subdivisions of the state, and a public body corporate and politic.” As such, conservation districts are subject to state laws, which govern financial matters of municipalities and other local governmental entities.

### **MONTHLY BOARD MEETING RESPONSIBILITIES**

- ☐ **Treasurer Audits and Signs Claim Vouchers.** Prior to board approving payment of unpaid bills due, review claim vouchers and supporting documentation (invoice, time/payroll sheet, travel claim form), and sign or initial the claim voucher, thus approving it is a valid claim. In lieu of individual claim vouchers, an alternative report may be created that satisfies the statutory requirement (contact SCC for more information).
- ☐ **Review Treasurer’s Reports:**
  - Treasurer presents Treasurer’s Report at each board meeting.
  - Compare two consecutive months’ reports making sure the account balance at the end of the report period on the previous month’s report is the same as the account balance at the beginning of the report period on the current report.
  - From month to month bills paid will be close to the same amount. Employee salaries should be approximately the same, unless they are part-time and hours fluctuate.
  - Look for a monthly or quarterly check showing federal and state employer/employee taxes paid.
  - For districts participating in the Kansas Public Employees Retirement System (KPERS), look for the electronic transfer payment (EFT) within 3 business days of each pay date for eligible employees.
  - Make sure every check number is accounted for.
  - Voided checks should be listed on the treasurer’s report and the actual check should be either attached to the claim voucher or attached to the check stub in the checkbook.
  - Petty cash, savings accounts, and investments must be included on treasurer’s reports. The maximum amount set by SCC for a Petty Cash Fund is \$50. Money markets and certificates of deposit cannot have maturities more than two years.
- ☐ **Board Approves Claims List.** A motion must be made to pay the due and unpaid claims (bills) specifying the amount of the approval. In the customized QuickBooks program, the name of this report is Unpaid Bills Needing Board Approval or Unpaid Bills Needing Payment Approval.
- ☐ **Checks Signed.** Chairperson, Treasurer, and Secretary (may be an employee) signs filled out checks corresponding with the bills approved for payment. State statutes provisions under certain situations allow checks paid between meetings. Board member signatures may be obtained only on checks with the payee information filled in and the amount, if known.
- ☐ **Treasurer’s Reports Submitted to SCC.** Treasurer’s Reports (including the Unpaid Bills report) are submitted approximately 10 days following board meeting attached to corresponding board minutes.

### **CONTINUALLY**

- ☐ **Board Ensures Proper Spending of Funds.** All moneys coming into the custody of the district including Enterprise Fund are public funds. Therefore, they must be spent only for public purposes and to carry out the activities and functions of the district. Furthermore, money from the state and county (Operations Fund) has further restrictive uses as stated in the Conservation District Law.
- ☐ **Board Upholds Cash Basis Law.** Board does not create any indebtedness (Lease-Purchase Agreements are permissible) or authorize issuance of a check in excess of the amount of funds on hand in the treasury at the time for such purpose.
- ☐ **Board Ensures Surety Bond Coverage.** Board members and employees who are entrusted with funds and/or property must be bonded.
- ☐ **Board Ensures Money Adequately Secured.** Money must be adequately secured by FDIC or pledged securities. Congress has temporarily increased FDIC deposit insurance from \$100,000 to \$250,000 per depositor through December 31, 2009. Non-interest bearing accounts have unlimited coverage at participating banks.

(continued)

## **AS NEEDED**

- ☐ **Board Elects/Chairperson Appoints Pro Tem Treasurer.** If the Treasurer is absent from the board meeting, the board should either elect or the chairperson appoints a pro tem treasurer to carry out the duties of the Treasurer at the meeting.
- ☐ **Board Approves Opening of Bank Accounts and Transfers.** Eligible depositories are banks; savings and loan associations; and savings banks, which have a main office in Kansas with the branch office located in same county as the conservation district. Normally, money should not be transferred from the Operations Funds (checking, saving, investment) to the Enterprise Fund because of the restrictive uses of the Operations Funds (money from state and county).

## **PERIODICALLY**

- ☐ **Treasurer Reviews Checking Account Bank Statement and Reconciliation Report with Checkbook.** Make sure these documents correspond with each other.
- ☐ **Treasurer Compares Savings Account Bank Statement and Treasurer's Report.** Particularly compare ending balance on Treasurer's Report to the corresponding bank statement ending balance.
- ☐ **Treasurer Compares Treasurer's Report with Checkbook.** Particularly compare ending checking account balance on Treasurer's Report to the corresponding checkbook balance.

## **ANNUALLY**

- ☐ **Board Designates Bank Depositories.** By board action the board designates the bank(s) as the conservation district's official depository for the checking, savings, and investment accounts. Bank must be a qualified State of Kansas depository (main office in Kansas with the branch office located in same county as the conservation district). It is recommended to do this the first board meeting after the annual meeting elections.
- ☐ **Board Reviews and Approves Audit.** The board reviews the audit report prepared by a Certified Public Accountant looking for any noted discrepancies and statements related to compliance with Kansas statutes. Also comparing the audit's Combined Statement of Cash Receipts and Cash Disbursements to the district's year-end financial report. Conservation districts are encouraged to invite the auditor to a board meeting or via telephone call (speaker phone) to go over the audit and answer questions. The audit report should be approved by official board action.
- ☐ **Audit & Review Form Submitted to SCC.** The conservation district audit must be submitted to the SCC within one year after the end of the audit period (2008 audit due by January 1, 2010) along with the Notification of Conservation District Audit Review form signed by the District Treasurer. Districts with annual gross receipts in excess of \$275,000 must pass a resolution to waive the Generally Accepted Accounting Principles (GAAP) and mail a copy of the audit along with a \$150 filing fee to the Division of Accounts and Reports, Municipal Services Section, 900 SW Jackson, Room 351-S, Topeka, KS 66612.
- ☐ **Treasurer Signs State Aid to Conservation Districts Claim Form.** In May/June the SCC sends a claim form to district and the district employee completes the information relating to county commission appropriations received for current calendar year. District treasurer signs form.
- ☐ **State Aid to Conservation Districts Claim Form Submitted to SCC.** No deadline for submission. State appropriation becomes available for distribution in July.
- ☐ **Treasurer and District Manager/Secretary Prepares Budget and Board Approves.** Preparation usually begins in spring. Board approves draft budget; county commissioners approves and certifies Operations Fund budget; budget is modified if necessary; board adopts budget; and chairperson and secretary (may be district employee) sign budget.
- ☐ **Budget Submitted to SCC.** The Operations Fund Budget, Enterprise Fund Budget, and certification page (with original signatures) are submitted to SCC by September 1.

## **ADDITIONAL ITEMS TO CONSIDER**

- ☐ **Treasurer Opens Bank Statement.** This could be done monthly or periodically. The bank statement could even be mailed directly to the Treasurer's home.
- ☐ **Treasurer Receives Insufficient Fund Notices.** Have the bank send or notify the Treasurer of any insufficient fund notices.
- ☐ **Require Board Members Signatures For Investment Account Removal.** Have at least two supervisors' signatures required at the bank to remove/withdraw certificates of deposit and other investment accounts.